

FORM MR-RC
Revised September 2, 2003
RECLAMATION CONTRACT

File Number M/037/088

Effective Date Sept 22, 2005

Other Agency File Number Ut-72499
ML 17661 ML 20569

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

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JUN 20 2005

DIV OF OIL GAS & MINING

RECLAMATION CONTRACT
—ooOoo—

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) (Mineral Mined)	M/037/088 Copper
"MINE LOCATION": (Name of Mine) (Description)	Lisbon Valley Copper Project 18 miles south of La Sal, San Juan County, Utah
"DISTURBED AREA": (Disturbed Acres) (Legal Description)	395 Acres * <u>(refer to Attachment "A")</u>
"OPERATOR": (Company or Name) (Address) (Phone)	Lisbon Valley Mining Co. LLC By: Summo USA Corporation, Manager 3900 S. Wadsworth Blvd. Suite 495 Lakewood, CO 80235 720-228-0055

"OPERATOR'S REGISTERED AGENT":

Name)
(Address)

(Phone)

CT Corporation
50 West Broadway, 8th Floor
Salt Lake City, Utah 84104
801-531-7090

"OPERATOR'S OFFICER(S)":

Gregory A. Hahn, President
John Labate, V.P. & CFO
Summo USA Corporation

SURETY":

(Form of Surety – Surety Bond)

#1 – Surety Bond (\$3,500,000)

"SURETY COMPANY":

Policy or Acct. No.)

#1, America Home Assurance Company
(Bond # [REDACTED])

"SURETY AMOUNT":

(Escalated Dollars)

\$3,437,200

"ESCALATION YEAR":

2009

"STATE":

"DIVISION":

"BOARD":

State of Utah
Division of Oil, Gas and Mining
Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Lisbon Valley Mining Company, LLC the "Operator" and the Utah State Division of Oil, Gas and Mining (ADivision≡).

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/088 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted

Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intent dated August 1995 and the original Reclamation Plan dated August 1995. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may

request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Lisbon Valley Mining Co. LLC

By: Summo USA Corporation, Manager

By: Gregory A. Hahn, President

Officer Signature

Date

STATE OF COLORADO)

) ss:

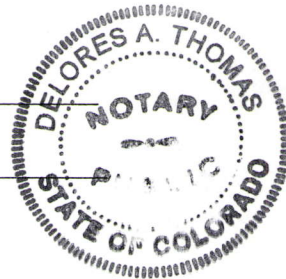
COUNTY OF JEFFERSON)

On the 17 day of June, 2005, Gregory A. Hahn personally appeared before me, who being by me duly sworn did say that he is the President of Summo USA Corporation, Manager of Lisbon Valley Mining Co. LLC and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of the board of directors and said Gregory A. Hahn duly acknowledged to me that said company executed the same.

Notary Public

Residing at

Delores C. Thomas
Littleton, Co. 80127



11-20-08
My Commission Expires:

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JUN 21 2005

DIV. OF OIL, GAS & MINING

OPERATOR:

Lisbon Valley Mining Co. LLC

By: Summo USA Corporation, Manager

By: Gregory A. Hahn, President

Gregory A. Hahn
Officer Signature

June 17, 2005 GAT
Date

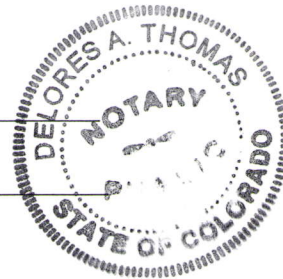
STATE OF COLORADO)

) ss:

COUNTY OF JEFFERSON)

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Delores A. Thomas
Notary Public
Residing at Littleton, Co. 80127



11-20-08
My Commission Expires:

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JUN 21 2005

DIV. OF OIL, GAS & MINING

DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

Date 9/22/05

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 22nd day of September, 2005, John R Baza
personally appeared before me, who being duly sworn did say that he, the said
John R Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns
Notary Public
Residing at: SLC Utah

April 4, 2009
My Commission Expires:

ATTACHMENT "A"

Lisbon Valley Mining Co. LLC
Summo USA Corporation, Manager
(Operator)

Lisbon Valley Copper Project
(Mine Name)

M/037/088
(Permit Number)

San Juan County, Utah

The legal description of the lands to be disturbed is:

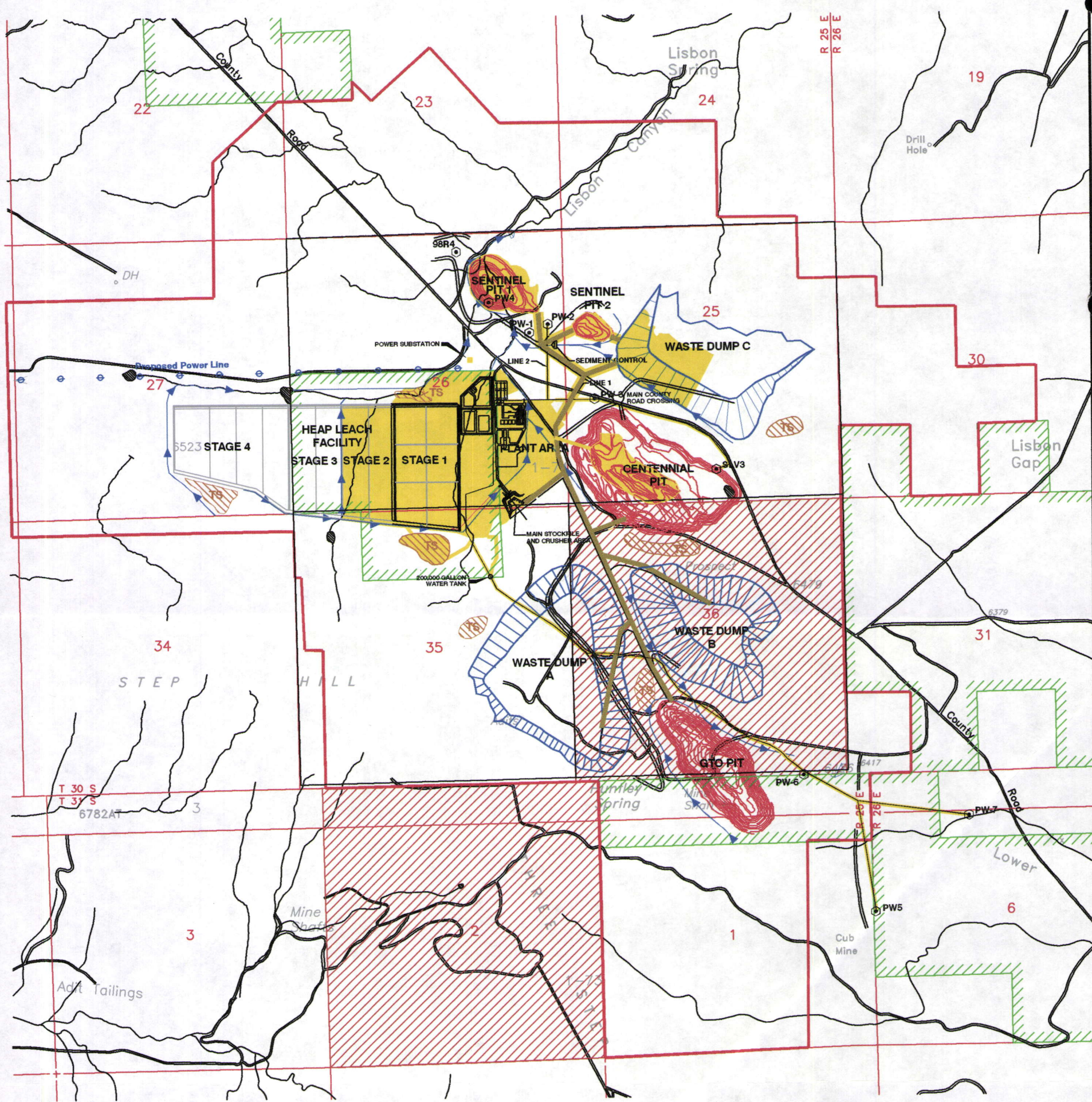
The total proposed and approved project disturbance is 1048 acres. Summo USA Corporation is proposing to initially bond for the "Existing and Remaining 2005 Disturbance Area" depicted on Attachment C1.

The initial Reclamation Bond Amount of \$3,500,000 is intended to cover in excess of 395 acres. Existing disturbance plus proposed facilities/construction activities for the remainder of 2005 total approximately 345.79 Acres.

Before additional activities at the project occur, Summo will post the appropriate (agreed upon) additional bond necessary for the activity.

All proposed activities are located in all or parts of:

Sections 22,23,24,25,26,27,34,35,& 36. Township 30 South, Range 25 East
Section 1. Township 31 South, Range 25 East
Sections 30 & 31. Township 30 South, Range 26 East
Section 6. Township 31 South, Range 26 East



Legend

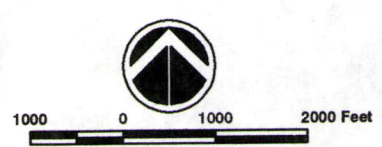
- Disturbance Area
- Project Boundary
- Haul Road
- Storm Water Diversion
- Fee Land (Private)
- State Land (SITLA)
- Bureau of Land Management (BLM)

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DIV OF S&L Lands & Forests

**EXISTING AND REMAINING
2005 DISTURBANCE AREA
Lisbon Valley Project
June 15, 2005
ATTACHMENT C**



ATTACHMENT C
Robert V. [Signature]